

FISCAL NOTE WORKSHEET (Revised Nov. 2006)

Agency: Utah State Office of Education
Daniel Schoenfeld
 Requested By

Bill Number HB 169

Office of the Legislative Fiscal Analyst
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Fax/Electronic Mail Transmittal

Date:	
Name:	
Fax Number:	

Please return to Fiscal Analyst by: February 16, 2007

TITLE OF BILL: Virtual Charter Schools

This Bill Takes Effect: ☐ On Passage ☐ On July 1 ☒ 60 Days after session ☐ Other _____
 Bill Carries Own Appropriation: ☐

FISCAL IMPACT OF PROPOSED LEGISLATION

A. Revenue Impact by Source of Funds:

First Year

Second Year

	First Year	Second Year
1. General Fund		
2. Unifrom School Fund - Free Revenue		
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	\$0	\$0

B. Expenditure Impact by Source of Funds:

1. General Funds		
2. Unifrom School Fund - Free Revenue	\$10,231,100	\$25,327,800
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	\$10,231,100	\$25,327,800

C. Expenditure Impact Summary:

1. Salaries, Wages and Benefits		
2. Travel		
3. Current Expenses	\$10,131,121	\$25,327,802
4. Capital Outlay		
5. Other <u>start up</u>	\$100,000	
6. TOTAL	\$10,231,100	\$25,327,800

D. Impact in Future Years?

If no fiscal impact in first two years, indicate if there will be any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years. (Use back side, if necessary.)

Funding would have to continue as long the virtual school is authorized to operate.

E. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase

Section 2 requires the Board to authorize a virtual charter school for operation by the 2007-08 school year and develop rules defining minimum standards for virtual charter schools and their operations.
Section 3 requires the Board to make rules governing virtual charter schools.

F. Expenditure Impact Details (Ties to totals in Section C)

The following evidence suggests that operation of a virtual charter school will not necessarily cost any less than a "real" charter school: [1] Information obtained from a February 12 meeting with the director of the Davis School District's virtual elementary school on the costs of operating such a school. [2] The fact that the bill calls for a charter school and not an elementary counterpart to the highly efficient Electronic High School operated by the USOE. [3] The vagueness of the bill itself, which does not preclude, for example, the construction of physical facilities by a virtual charter school. [4] The budget submitted as Attachment E by the Utah Virtual Academy, Inc. (UVA) as part of its charter school application for 2007-08. It was the only prospective virtual school to submit an application; its planning year revenue anticipates exactly the \$100,000 in "legislative funding for virtual charter schools" that the bill appropriates; and its operational budget assumes per student revenue from the state of \$5,066, which is for all practical purposes the same as the FY 2006 expenditures per student actually reported by Utah charter schools (\$5,051). Accordingly, the estimates given are based on UVA's planning (see Analysis tab).

G. No Fiscal Impact or Will Not Require Additional Appropriations?

*Specify why this bill will have no fiscal impact on your agency or institution.
Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations. (USE ATTACHMENTS IF NECESSARY.)*

The authorization and associated processes for adding a new charter school can be handled by the USOE within the normal course of its business.

H. If Bill Carries It's Own Appropriation:

*Indicate if the amount appropriated is adequate to meet the purposes of the bill.
Are there future additional costs anticipated beyond the appropriation in the bill?*

Probably adequate for start up planning.

I. Impact on Local Governments, Businesses, Associations, and Individuals

*Specify requirements in the bill that drive the impact on local governments.
Indicate costs or savings that are **DIRECT and MEASURABLE**. If direct and measurable data are not available, are there areas that potentially could have a fiscal impact? (USE ATTACHMENT IF NECESSARY.)*

Local School Districts/Charter Schools :

Negligible.

Businesses and Associations :

The bill will provide a huge benefit to the nonprofit organization which receives authorization to open the virtual charter school.

Individuals :

Will provide elementary age students a schooling option currently available in only a few districts.

Narrative Description of Bill :

This bill requires the State Charter School Board and the State Board of Education to establish a virtual charter school that will begin operations in the 2007-08 school year; provides exemptions from certain statutes and requires a waiver of certain State Board of Education rules; provides for virtual charter school student participation in programs at other public schools; provides for the funding of virtual charter schools.